

HAWAII: EXPORTS, JOBS, AND FOREIGN INVESTMENT

Exports Mean Jobs for Hawaii Workers

- Roughly nine percent of all manufacturing workers in Hawaii (one of every eleven) depend on exports for their jobs (2001 data latest available).
- Export-supported jobs account for an estimated 1.1 percent of Hawaii's total private-sector employment (one out of every 91 jobs). (2001 data latest available)

Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports on the U.S. economy.

Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.

Exports Help Sustain Hundreds of Hawaii Firms—Small As Well As Large

- A total of 748 companies exported from Hawaii locations in 2001. Eighty-five percent of these companies—more than four-fifths—were small and medium-sized enterprises that had fewer than 500 employees.
- Small and medium-sized firms generated nearly half (49 percent) of Hawaii's total exports of merchandise in 2001. This is the sixth highest figure among the 50 states, and well above the national SME share of total exports, which is 29 percent.

Source: Exporter Data Base, International Trade Administration & Census Bureau.

Economic Globalization: A Two-Way Street for Hawaii

- In 2002, majority-owned affiliates of foreign companies employed 38,300 workers in Hawaii.
- Many of these foreign-investment-supported jobs (2.1 percent; 800 workers) were in the manufacturing sector in 2002.
- Majority-owned affiliates of foreign companies accounted for 6.3 percent of total manufacturing employment in Hawaii in 2001 (approximately one of every sixteen manufacturing workers).
- Foreign investment in Hawaii was responsible for 8.5 percent of the state's total private-industry employment in 2001, the highest figure among the 50 states.
- Major sources of Hawaii's foreign-investment-supported jobs in 2002 were Japan, France, and the United Kingdom.

Note: All figures exclude employment in banks affiliated with foreign companies.

Source: Bureau of Economic Analysis.

Hawaii Depends on World Markets

- Hawaii's export shipments of merchandise in 2003 totaled \$368 million, up from \$274 million in 1999. Hawaii's export growth rate of 35 percent (\$94 million) was the sixth highest among the states over that period.
- Hawaii exported globally to 90 foreign destinations in 2003. The state's largest export market, by far, was Japan. Hawaii posted exports of \$148 million to Japan in 2003, which was 40 percent of the total that year. Japan was followed by Malaysia (\$64 million), South Korea (\$34 million), Canada (\$20 million), and New Zealand (\$19 million). Other large markets in 2003 included China, Germany, Hong Kong, France, and the Philippines.
- Malaysia has been Hawaii's fastest growing market, in both dollar and percentage terms. Hawaii's merchandise exports to Malaysia rose almost 43,000 percent from a modest base value of some \$148,000 in 1999 to \$64 million in 2003. Other countries to which Hawaii recorded large increases in merchandise exports over this period were Japan (exports up \$13 million), China (up \$11 million), Germany (up \$8 million), and France (up \$7 million).
- After Malaysia, Hawaii's fastest-growing top 20 major markets have been Spain (exports up roughly 8,800 from some \$3,000 in 1999 to approximately \$245,000 in 2003), Saudi Arabia (up nearly 1,700 percent), Thailand (up 556 percent), and China (up 531 percent). Hawaii also more than doubled its merchandise exports to Bahrain, France, Argentina, Germany, India, Sweden, Italy, and Chile between 1999 and 2003.
- The state's leading export category in 2003 was transportation equipment, which accounted for 25 percent, or \$93 million, of Hawaii's total merchandise exports. Other top exports were petroleum and coal products (2003 exports of \$75 million), computers and electronic products (\$29 million), processed foods (\$24 million), and machinery manufactures (\$22 million).
- In dollar terms, Hawaii's leading export growth category is transportation equipment. Export shipments of these products grew to \$93 million in 2003 from \$30 million in 1999—a \$63 million increase. Other manufactured export categories that registered large dollar growth over the 1999-2003 period were leather and related products (up \$16 million), machinery manufactures (up \$14 million), processed foods (up \$5 million), and beverages and tobacco products (up \$4 million).
- In percentage terms, Hawaii's fastest-growing manufactured export category is leather and related products, which rose 787 percent from \$2 million in 1999 to \$18 million in 2003. Other fast-growing manufactured exports during this period were beverages and tobacco products (up 606 percent), paper products (up 534 percent), transportation equipment (up 212 percent), and machinery manufactures (up 175 percent).

Source: Origin of Movement State Export Series, Bureau of the Census.

Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point of exit) from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.

Prepared by the Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce.

Updated: 8/26/04